

Meeting Minutes June 16, 2004

Town of Los Altos Hills City Council Special Meeting

Wednesday, June 16, 2004 6:00 P.M.

Bullis School Multi-Purpose Room, 25890 Fremont Road

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Mayor Cheng called the Special Meeting of the City Council to order at 6:05 p.m. in the Multi-Purpose Room at Town Hall Temporary Offices.

Present: Mayor Emily Cheng, Mayor Pro Tem Mike O'Malley, Councilmember Bob Fenwick, Councilmember Breene Kerr and Councilmember Dean Warshawsky

Absent: None

Staff: City Manager Maureen Cassingham, City Attorney Steve Mattas, Planning Director Carl Cahill, Acting City Engineer/Director of Public Works Dave Ross, Administrative Services Director Sarah Joiner and City Clerk Karen Jost

1.1 Reorganization of Council

Mayor Cheng commented how quickly her term as Mayor had passed. It had been a good year with many accomplishments. The peace and harmony that had been prevalent at Council meetings and the positive relationships formed with Councilmembers had been a reflection of the successful year. Cheng added that her Mayoral Goals had included the pathway map update, undergrounding of utilities, a Master Storm Drain Plan for the Town and her goals were now nearing conclusion. She had lead a group of residents to China and everyone had been very pleased with the venture. Mayor Cheng explained that it was now time to elect the new Mayor and she nominated Mayor Pro Tem O'Malley.

MOTION SECONDED AND CARRIED: Moved by Cheng, seconded by Kerr and passed unanimously to appoint Mayor Pro Tem Mike O'Malley to serve as Mayor.

Mayor O'Malley thanked Councilmember Cheng for her leadership and acknowledged that it had been a fun year and much more productive than previously tumultuous years. During the tenures of Fenwick and Cheng, Council had worked well together. O'Malley presented Cheng with a framed picture of the Town's stained glass replica of the seal as a gesture of appreciation for her service as Mayor.

O'Malley explained that for the next year, the primary focus will be construction of the new Town Hall. He nominated Councilmember Kerr to serve as Mayor Pro Tem noting

that Councilmember Kerr, as Chair of the New Town Hall Committee, had been actively involved in the project committing a great deal of time and effort.

MOTION SECONDED AND CARRIED: Moved by Cheng, seconded by Warshawsky and passed unanimously to elect Councilmember Kerr to serve as Mayor Pro Tem.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to limit the length of time for public comments to three minutes.

2. APPOINTMENTS AND PRESENTATIONS

2.1 Appointment to the Planning Commission

Mayor O'Malley introduced this item. He explained that the terms for Planning Commissioners Eric Clow and Janet Vitu had expired and Council would be considering appointments for the vacancies. Council had before them applications from four candidates: Planning Commissioners Eric Clow and Janet Vitu, who were requesting consideration for reappointment to the Planning Commission; Ray Collins, Open Space Committee Member; and Roger Spreen, Open Space Committee Member.

Following Council interviews and ballot voting, Ray Collins and Eric Clow were selected to serve on the Planning Commission.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to appoint Ray Collins and Eric Clow to the Planning Commission for terms of four years.

The City Council thanked Janet Vitu for her commitment and service to the Town as a Planning Commissioner.

2.2 Appointment to the Town's Standing Committees

2.2a Parks and Recreation Committee

Council had before them letters and applications from current members of the Parks and Recreation Committee whose terms were expiring in June requesting reappointment to the Standing Committee.

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Cheng and passed unanimously to reappoint Karen Bergh, Rebecca Hickman, Jane Kawasaki, Valerie Metcalfe and Patty Radlo to the serve on the Parks and Recreation Committee for terms of four years.

Council thanked the Committee members for their dedication and numerous hours they have volunteered for the Town's Parks and Recreation Programs.

2.2b Community Relations Committee

Council had before them a letter from Karen Emerzian, Community Relations Committee member, requesting reappointment to the Committee.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Cheng and passed unanimously to reappoint Karen Emerzian to the Community Relations Community for a term of four years.

3. PLANNING COMMISSION REPORT

Planning Director Carl Cahill summarized the Planning Commission meeting of June 10, 2004 for Council. The Commission considered two public hearing items: Lands of Nicholson and Yang, a request for a lot line adjustment and Lands of Thurston, a request for a site development permit to encroach into the setback. Cahill noted that the Planning Commission had denied the request for the variance and recommended approval of the lot line adjustment. It would be forwarded to Council at their next meeting for consideration.

Cahill reported that the Planning Commission had discussed the pathway map hearing process with Chris Vargas, Pathways Committee Chair and had concluded that they would like the Committee to take initial comments from the public prior to the hearings before the Planning Commission. They agreed that the Committee would be better qualified to facilitate the early meetings; they are more knowledgeable of the map and have the best understanding of the supporting reasons for the revisions.

4. CONSENT CALENDAR

Item Removed: Item 4.1 (Fenwick)

MOTION SECONDED AND CARRIED: Moved by Cheng, seconded by Warshawsky and passed unanimously, to approve the remainder of the consent calendar, specifically;

- 4.2 Review of Disbursements: 05/26/2004 – 06/9/2004 \$29,944.15
- 4.3 Award of Contracts for the New Town Hall Project Reso #33-04
- 4.4 Adoption of Cable System Regulatory Ordinance 435
- 4.5 Approval of a Resolution Modifying the Job Description of Youth Commissioner for the Town of Los Altos Hills Reso#34-04
- 4.6 Approval of an Amendment to AB939 Agency Agreement for Countywide Household Hazardous Waste Collection Program Reso#35-04
- 4.7 Approval of a Third Extension of Cable Franchise Agreement Between the Town of Los Altos Hills and Comcast
- 4.8 Approval of Resolution Authorizing the Town to Apply for a Grant from the Packard Foundation for the Green Energy Program Reso#36-04

Item Removed:

- 4.1 Approval of Minutes: Special City Council Meeting June 2, 2004
City Council Study Session June 2, 2004

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Warshawsky and passed unanimously to approve the Special City Council Meeting Minutes for June 2, 2004 with the following correction: Page 2, Item 4.6 should read "Approval of Revised Newsletter Policy".

5. UNFINISHED BUSINESS

5.1 Town Goals

Mayor O'Malley outlined the Town Goals that he believed are critical and would like to bring to fruition during his term. He will be directing his primary attention to building the new Town Hall on time and on budget. O'Malley announced that the ground breaking ceremony had been scheduled for July 15, 2004.

5.1.1 Complete Town Hall On Time and On Budget

5.1.1a TBI Update

Tony Mirenda, President, TBI Construction Management, addressed Council. He explained that the Town Hall project was being bid for construction using a process referred to as multiple prime delivery where competitive bids are received for all elements of the project. On June 8, 2004, 19 bid packages were received. TBI had solicited bids from 64 different contractors. Mirenda explained that 15 of the 19 bid packages were under budget, however, the 4 remaining packages that comprise a majority of the primary structural portion of the building were unacceptable and will be re-bid. He reported that they are seeing unprecedented escalation in material prices and labor costs. The labor costs are being primarily driven by increases in worker's compensation. Mirenda noted that he is working closely with the Architect to review the scope of work in the problem areas and to investigate alternative materials and redesign options. Currently, the 4 packages are approximately \$500,000 over budget. Mirenda believes that with a successful competitive re-bidding, a majority of this can be recaptured. He concluded by noting that the two contracts before Council this evening for consideration, hazmat abatement and demolition, were under budget and work will begin later this month. The construction schedule will not be impacted by the re-bid.

Mayor O'Malley acknowledged that the Council and New Town Hall Committee are committed to the New Town Hall design that was approved by the residents. It is a simple, functional building and he encouraged TBI to work creatively to resolve the building costs.

Councilmember Kerr reported that if necessary, he would schedule a Special New Town Hall meeting to award the solar contract. This would accommodate the deadline for submittal of projects to Pacific Gas and Electric's rebate programs.

5.1.2 Identify and Fund Underground Project

Mayor O'Malley explained that this item is the second of the Town's goals central to his term as Mayor. The undergrounding of utilities was defined as a goal in the General Plan thirty years ago. The Undergrounding Subcommittee has been able to determine that at this time there is not enough support for the undergrounding of utilities for the entire Town, however, a pilot project on a major throughfare is now tasked to the Undergrounding Subcommittee. During his tenure, O'Malley would like to identify the area for the pilot project, estimate the cost and determine how to fund it. Councilmember Fenwick brought this issue to the forefront and Councilmember Warshawsky and the Undergrounding Subcommittee have "carried the torch" forward.

5.1.3 Complete Master Pathway Map Update

5.1.3a Status Report from Chris Vargas, Pathways Committee Chairman

Chris Vargas, Pathways Committee Chair, presented Council with an overview of his Committee's efforts. They are preceding with the update of the map via a four stage process. They have completed stage one of the recommendations. The map that they are developing includes every pathway within the Town color coded (5 colors). The five recommendations that are considered for each path by the Committee include: 1) retain the path-green; 2) review further-yellow; 3) do not retain-red; 4) adjust the path/ or add a new path-blue; and 5) local neighborhood connection to be determined by neighbors-purple.

Vargas reviewed the proposed public hearing schedule with Council. The Committee will take a sabbatical in July. Three initial public meetings are scheduled with the Pathways Committee in August and three public hearings with the Planning Commission in September. This will allow the Committee time to digest comments from the public and adjust the map accordingly before the scheduled Planning Commission hearings. Vargas expects the updated map to be ready for Council consideration in October. A town-wide mailing of scheduled dates will be sent out and the map will be available on the Town's website, at Town Hall and will be mailed when requested. Residents who live within 300 feet of a proposed new path will be sent notices of the hearing.

Councilmember Warshawsky, Pathways Committee Council Liaison, clarified that the Committee is not seeking or establishing any new easements, they are only recommending new paths. He added that the Pathways Committee meetings have been well attended by the public and he is optimistic that the hearings will not be contentious and will be very efficient and constructive.

Mayor O'Malley explained that the two critical resolutions that the Committee will achieve at the conclusion of this effort are: 1) a 2004 revision of the 1981 Master Path Map, that reflects existing paths and future proposed paths; and 2) an accurate pathways map that can be used by citizens that shows legal paths that can be walked.

Council thanked Vargas and the Committee for their efforts. Vargas acknowledged the work that had been done by the Path Map Group to verify path easements. This had been a key factor in their success to date.

Mayor O'Malley noted that in addition to these Town Goals for this year, he would like to address the Land Use Element update when the 2004 Master Path Map Update is completed. O'Malley added that sewer connections are also an important issue that he is continuing to commit his efforts towards a resolution.

5.2 Discussion of Proposed Meetings Between the Los Altos School District and Town of Los Altos Hills Regarding the Reopening of Bullis Purissima School as a Los Altos School District School.

- Appointment of Council Representatives

Councilmember Cheng explained that she and City Manager Cassingham had previously met with a member of the Los Altos School District Board to discuss the possibility of reopening Bullis School as a Los Altos School District School. Cheng explained that he was not speaking as a Board Member but as an interested citizen. She noted that the main obstacle to reopening the school is funding.

City Manager Cassingham reviewed the meeting with Council. She added that the Los Altos School District Board Member is encouraging discussions with Council. He is suggesting that Council consider appointing a representative(s) to investigate the issue and explore a dialogue.

OPENED PUBLIC COMMENT

Chris Vargas, Templeton Place, offered his opinion that it was important for Council to meet with the Los Altos School District and continue the dialogue. He summarized the financial offer that the Bullis Charter School had made to the District for the Bullis site and the various scenarios that could happen next year with the site. Vargas would like to see this important asset (Bullis School) used to benefit the children of the Town.

Allan Epstein, Ravensbury Avenue, commented that he believes it is important for Council to meet with the Los Altos School District. He believes that they are interested in reopening Bullis School as a public school. Epstein suggested that it would not be appropriate for the Council representatives to have any affiliation with Bullis Charter School.

Sandy Humphries, Fremont Road, stated that it is her opinion that a school in Town is more important than a new Town Hall. She encouraged the Council to consider purchasing the Bullis site.

Resident, Campo Vista Lane, questioned the option of the Town purchasing the site. He requested clarification from the City Attorney.

City Attorney Steve Mattas explained state law that is applicable to surplus/reserve school sites. Under the Education Code, the fields and recreation facilities would be offered to public agencies including the Town first at a reduced price, the Town would also have options to acquire the remainder of the property.

Eric Clow, Central Drive, thanked Chris Vargas for his comments to Council. He expressed his support of Council engaging the District in conversations regarding this issue.

Ken Kwan, Campo Vista Lane, explained as a neighbor of Bullis School, he would like to see the school reopened. He encouraged Council to enter into discussions with the Los Altos School District and explore all possibilities.

CLOSED PUBLIC COMMENT

Following a brief discussion, Council concurred that it would be appropriate to appoint two Councilmembers to a Subcommittee to enter into a dialogue with the District. Councilmember Warshawsky volunteered to act as a representative with Councilmember Cheng.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Fenwick and passed unanimously to form a Subcommittee of Councilmembers Cheng and Warshawsky to engage in discussions with the Los Altos School District regarding the option of reopening Bullis School as a Los Altos School District School.

6. NEW BUSINESS

6.1 Consideration of an Agreement with the Los Altos Hills County Fire District for the Town's Alternate Emergency Operations Center

City Manager Cassingham introduced this item to Council. Council had before them a staff report recommending approval of the proposed Use Agreement between the Town and the Los Altos Hills County Fire District for the use of a portion of the El Monte Fire Station as an Alternate Emergency Operations Center. The Use Agreement will allow the Town to use a portion of the Fire Station for emergency preparedness training, exercises, supplies storage, in the event the Heritage House should become unavailable or damaged in a disaster. The term of the Use Agreement is five years.

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Kerr and passed unanimously to approve the Use Agreement between the Town of Los Altos Hills, the Los Altos Hills County Fire District and the Santa Clara County Fire Department for the Alternate Emergency Operations Center at the El Monte Fire Station.

7. REPORTS FROM COMMITTEES, SUB-COMMITTEES, AND COUNCILMEMBERS ON OUTSIDE AGENCIES

Councilmember Cheng reported that she had received communication from the School District regarding the lease of the Bullis School playing fields. They have rejected the terms of the agreement that had been authorized by Council for minimal restoration and maintenance of the middle field. She requested that discussion of this item be placed on the next City Council meeting agenda for further discussion and direction from Council.

Cheng reported that the Parks and Recreation Department Strategic Plan is still under development and will be forwarded to Council at a future meeting.

Councilmember Cheng reported that she had attended the Library Joint Powers Authority Board meeting. The Board had narrowly adopted the budget and will revisit the issue in August after more is known about the State budget. Cheng noted the importance of this future meeting and requested that the appointment of an Alternate to the JPA to represent the Town in the event she is unable to attend be agendaized for the next Council meeting.

Cheng reported on the North County Library meeting. Among items of discussion were a special library parcel tax for Los Altos/Los Altos Hills; the probable closure of Woodland Library two days per week; and the discussion of keeping Woodland Library open seven days a week if other County libraries chose to close for budgetary reasons.

Councilmember Warshawsky reported that the Undergrounding Subcommittee had a booth at the Town Picnic to gather resident input on a location for the undergrounding pilot program. Streets suggested for the project included: Anacapa, Viscaino, Purissima Road and Fremont Road. The Subcommittee will be doing more thorough investigation of a pilot program location in the future. Warshawsky added that the Subcommittee will be meeting with Pacific Gas and Electric in the near future to review the Rule20A funding program.

Councilmember Fenwick had attended the Community Relations Committee meeting. He praised the Committee on their endeavors in "hosting" a very successful Town Picnic. This year's event had a record attendance of approximately 1200 residents. Next year's Town Picnic is scheduled for Sunday, June 5, 2005. The Committee is also coordinating the visit to the NASA Mars Center which is scheduled for June 22, 2004 and plans are underway for the Newcomer Welcoming Reception scheduled for October 3, 2004 at Morgan Manor.

Mayor Pro Tem Kerr reported that he attended the VTA Advisory Committee. He is working with the membership to urge the full Board of the VTA to consider developing a Plan B for a less expensive alternative for BART to San Jose. This would allow the VTA's capitol improvements budget to move forward without requiring approval by the electorate.

Kerr reported that there is possible VTA funding available for the Town for street repair/maintenance. Staff is preparing the application and it will be forwarded to Council for their consideration.

Mayor O'Malley reported that he had met with Curtis Cole, Los Altos City Council representative to discuss sewers. He is working with staff to provide Los Altos with the maximum number of connections that are needed by the Town. This will be a good indicator of the maximum strain that will be put on the sewer system. O'Malley noted that the City of Los Altos maintains that they have sold approximately 350 plus sewer connections that are not being used and the Town should use these before any new connections are issued. Given the potential for an environmental hazard with the failure of aging septic systems in the San Antonio Hills area (Sphere of Influence) and Town residents who wish to hookup to sewer and are unable to secure sewer connections, O'Malley has asked the City Attorney to explore options for asking/requiring residents who possess extra sewer connection rights to relinquish them (sell them) to the Town.

8. STAFF REPORTS

8.1 City Manager

8.2 City Attorney

8.3 City Clerk

8.3.1 Report on Council Correspondence

9. COUNCIL-INITIATED ITEMS

9.1 Consideration of Reimbursement of Town Staff Expense for Los Altos Chamber of Commerce Salute to the Mayors – Mayor Cheng

Mayor O'Malley explained that this item had been initiated by Mayor Cheng noting that the Mayor had learned that the City of Los Altos staff attendance to the Los Altos Chamber of Commerce Salute to the Mayors is paid for by the City. O'Malley concurred with Cheng that it would be appropriate for the Town to be in concert with Los Altos and pay for Town staff and a guest to attend the celebration.

MOTION SECONDED AND CARRIED: Moved by Cheng, seconded by Fenwick and passed unanimously to reimburse staff for their expenses to the 2004 Los Altos Chamber of Commerce Salute to the Mayors and to pay for staff and their guest to attend the event in the future.

10. PRESENTATIONS FROM THE FLOOR

Dot Schreiner, Saddle Mountain Drive, suggested that the Council consider updating the Town's General Plan Land Use Element. She explained that it is a very relevant component of the General Plan and presently contains language that is no longer valid. However, many references included in the element are pertinent to topics and issues being discussed today, i.e. undergrounding of utilities. She would particularly like to see the language that pertains to public schools strengthened. Schreiner added that past attempts at the update process have included a Town survey, establishment of a review committee and the hiring of a consultant, but they were never brought to fruition. She hoped Council would consider revisiting the update.

11. PUBLIC HEARINGS

11.1 Consideration of Proposed Fiscal Year 2004-2005 Operating and Capital Improvement Budget

Administrative Services Director Sarah Joiner introduced this item to Council. She explained that the proposed budget had been reviewed by the Finance and Investment Committee members at their meeting of May 24, 2004 and again by the City Council and the Committee at a joint study session on June 2, 2004.

The highlight of this year's budget is the construction of the new Town Hall facility. The new Town Hall is budgeted at \$3.36 million and will be funded out of reserves that have been accumulated and set-aside for this purpose. Next month, Council will consider alternative financing options for the project, including issuing certificates of participation.

Joiner noted that the Town is still challenged by the State's on-going budget crisis. With the proposed budget, the General Fund Balance would be reduced by \$3.13 million to \$3.57 million. The new Town Hall accounts for most of the decline, however, budgeted revenues are \$64,000 less than 2004 due in large part to the \$96,000 cut in state funding. She explained that staff would be reporting to Council on proposed revenue enhancement programs including the review of property tax collections, traffic impact fees and a 911 emergency response fee.

Joiner reviewed the Capital Improvement Project Budget schedule with Council. She explained that the list details various projects and sources of funding. In addition to the new Town Hall, the General Fund will subsidize \$200,000 for storm drains, \$325,000 for streets, and \$34,000 for the Town's share of the new animal control facility. Transfers from the General Fund for Pathway and parks projects will be offset by grants.

Joiner alerted the Council to two potential problem areas that are not included in the CIP budget: the potential for landslides at Page Mill and Natoma Road. Staff is monitoring and attempting to stabilize these areas. A failure at either location would cost approximately \$1.5 million to repair.

Joiner explained that during the budget preparation process there were items requested but not funded, including: additional budget for major repairs and capital improvement projects at Westwind Barn; the repaving of the Little League field parking lot-to be funded by State Park Bonds; the renovation of the upper playing field at Bullis School; pilot project for undergrounding of utilities; and additional pathway capital improvement projects. Joiner noted that if these or any other items were added to the budget, they would need to be funded out of reserves or take funding away from another project included in the budget. These requests could be revisited at the mid-year budget adjustment review.

In concluding her presentation, Joiner reported that the recent decline in the Town's reserves is due in large part to the completion of previously delayed Capitol Improvement Projects and an overview of the Town finances, as reflected in the proposed budget, shows that projected reserves should stabilize by 2007 and the gap between revenues and expenditures should close. Joiner added that this projection is based on a Capitol Improvement Project spending capped at \$1.5 million for 2006 and 2007.

OPENED PUBLIC HEARING

Chris Vargas, Pathways Committee Chair, explained that he had been so involved with the pathways map update process that he did not have an opportunity to meet with Administrative Services Director Joiner during the budgeting process. He thanked her for her excellent estimation of their needs. Vargas added that their budget appropriation

will be used to launch several projects and he encouraged Council to adopt the proposed budget.

CLOSED PUBLIC HEARING

Councilmember Warshawsky explained that the June 2, 2004 joint study session with the Finance and Investment Committee had been very helpful in reviewing the budget in depth and resolving any questions he had. The outstanding issue now is the financing of Town Hall and that will be discussed by Council at their July 15th regular meeting. Warshawsky noted that he favored adoption of the proposed budget.

Councilmember Fenwick concurred. The meeting with the Finance and Investment Committee had been productive and issues had been “aired”. Fenwick added that he supported approval of the proposed budget.

Mayor O’Malley thanked Administrative Services Director Joiner for her definitive presentation and efforts with the proposed budget. O’Malley explained that the budget’s primary focus is finishing the new Town Hall. Council could revisit the budget for additional requests during the mid-year review when there would be a better understanding of Town Hall construction costs. O’Malley added that he understands that a major interest of Town residents is the maintenance of the road infrastructure. During the joint session with the Finance and Investment Committee, the concept of traffic impact fees had been introduced as a possible solution – placing the responsibility of repairing the roads on those that damage them with heavy equipment and trucks. This is being reviewed by staff and will be forwarded to Council for their consideration. O’Malley concluded that he is in favor of approving the budget as proposed.

Mayor Pro Tem Kerr suggested that the Town’s business license fees were an additional revenue source that he would like reviewed.

City Attorney Steve Mattas explained ballot measure and voter passage requirements for taxes noting that business license fees are structured as taxes.

Staff was directed to perform a preliminary review of business license revenues.

MOTION SECONDED AND CARRIED: Moved by Fenwick, seconded by Cheng and passed unanimously to approve the FY 2004-2005 Operating and Capital Improvement Budget.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to adjourn to the Closed Session at 8:17 p.m.

CLOSED SESSION

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING
LITIGATION: Government Code Section 54956.9(a): Campbell and Ligeti v. Town of
Los Altos Hills

The City Council reconvened to the Special City Council Meeting at 9:32 p.m.
No action was taken

13. ADJOURNMENT

There being no further business, the Special City Council Meeting was adjourned at
9:33p.m.

Respectfully submitted,

Karen Jost
City Clerk

The minutes of the June 16, 2004 Special City Council Meeting were approved as
amended at the July 1, 2004 Regular City Council Meeting.